

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary June 12, 2006

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Marbob Energy Corporation P. O. Box 227 Artesia, New Mexico 88211-0227

Attention:

Raye Miller
Land Department
marbob@marbob.com

Administrative Order NSL-5398

Dear Mr. Miller:

Reference is made to the following: (i) your application (administrative application reference No. pTDS0-608632371) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 24, 2006; (ii) Ms. Nancy Bratcher's telefax to Mr. Stogner on April 17, 2006 with information to supplement your filing; and (iii) the Division's records in Artesia and Santa Fe, which included an independent search by Mr. Stogner of records in the public domain (i.e. topographic maps, aerial photos, and Google Earth©): all concerning Marbob Energy Corporation's ("Marbob") request to drill the Pick State Com. Well No. 1 as an initial well within a standard 320-acre lay-down gas spacing unit in the South Corbin-Morrow Gas Pool (75080) comprising the S/2 of Section 23, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, at an unorthodox gas well location 1980 feet from the South line and 2130 feet from the East line (Unit J) of Section 23.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By the authority granted me under the provision of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location for Marbob's proposed Pick State Com. Well No. 1 is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs

New Mexico State Land Office - Santa Fe

U. S. Bureau of Land Management - Carlsbad